

ORIGINAL

INTERVENTION



0000173661

BEFORE THE ARIZONA CORPORATION

COMMISSIONERS

DOUG LITTLE, CHAIRMAN

BOB STUMP

BOB BURNS

TOM FORESE

ANDY TOBIN

Arizona Corporation Commission

DOCKETED

SEP 30 2016

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IN THE MATTER OF THE APPLICATION)
OF ARIZONA PUBLIC SERVICE)
COMPANY FOR A HEARING TO)
DETERMINE THE FAIR VALUE OF THE)
UTILITY PROPERTY OF THE COMPANY)
FOR RATEMAKING PURPOSES, TO FIX A)
JUST AND REASONABLE RATE OF)
RETURN ON THE FAIR VALUE OF THE)
PROPERTIES OF ARIZONA PUBLIC)
SERVICE COMPANY DEVOTED TO ITS)
OPERATIONS THROUGH THE STATE OF)
ARIZONA, AND FOR RELATED)
APPROVALS.)

DOCKET NO. E-01345A-16-0036

IN THE MATTER OF FUEL AND)
PURCHASED POWER PROCUREMENT)
AUDITS FOR ARIZONA PUBLIC SERVICE)
COMPANY)

DOCKET NO. E01345A-16-0123

**DIRECT ENERGY INC.'S
APPLICATION FOR LEAVE TO
INTERVENE**

Pursuant to A.A.C. R14-3-105, Direct Energy, Inc. ("Direct Energy") hereby makes
Application for Leave to Intervene ("Application") in the above-captioned and above-docketed
proceeding ("Instant Proceeding"). In support of its Application, Direct Energy submits the
following information.

I.

DESCRIPTION OF DIRECT ENERGY

The Direct Energy companies engage in the purchase and sale of electricity and natural gas for
resale in numerous states, including Arizona. Direct Energy companies are subsidiaries of

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1 Centrica, a publicly traded company based in the UK and traded on the London Exchange. Direct
2 Energy currently serves as a third party provider through Arizona Public Service Company's
3 ("APS") current AG-1 Program, and has an interest in these proceedings as the same relates to
4 continuation of the AG-1 Program

5 **.II.**

6 **CIRCUMSTANCES OCCASIONING DIRECT ENERGY'S**

7 **INTERVENTION REQUEST**

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9 In its May 24, 2012 Decision No. 73183 in APS' 2011 rate case, the Commission approved
10 Experimental Rate Rider Schedule AG-1, Alternative Generation General Service ("AG-1
11 Program") for a four (4)-year period, commencing on July 1, 2012. Thereafter, following
12 discussions with prospective customers and third-party providers of alternative generation service,
13 APS implemented the AG-1 Program effective July 1, 2012. In that regard, APS conducted a
14 lottery to identify prospective candidates and ultimately select the AG-1 Program participants.
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16
17 Direct Energy successfully negotiated an AG-1 Program generation service contract with
18 an APS customer who was selected by APS to participate in the AG-1 Program, and Direct Energy
19 has continuously been providing generation service to its AG-1 Program customer since
20 commencement of the AG-1 Program. In that regard, in its November 25, 2015 Decision No.
21 75322, the Commission extended the AG-1 Program until at least the date on which new rates and
22 charges become effective as a result of a final decision in APS' then contemplated 2016 rate case,
23 which was yet to be filed.
24

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26 On June 1, 2016, APS filed its Application in the Instant Proceeding. Included in its
27 Application and supporting prepared Direct Testimony and Exhibits is a request by APS that the
28

1 AG-1 Program be terminated. A Commission decision either granting APS' request for termination
2 of the Program or substantially modifying the same could have a direct and substantial impact on
3 Direct Energy within the contemplation and meaning of A.A.C. R14-3-105. In that regard, Direct
4 Energy's intervention and participation as a party of record in the Instant Proceeding will not
5 unduly delay the conduct of the same, inasmuch as Direct Energy currently does not contemplate
6 raising issues not already raised directly or indirectly by APS in its Application.
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9 **III.**

10 **SATISFACTION OF REQUIREMENTS FOR INTERVENTION PRESCRIBED**

11 **BY A.A.C. R14-3-105**

12 Against the background of Sections I and II above, Direct Energy believes that it has fully
13 satisfied the requirements of A.A.C. R14-3-105 governing requests for intervention in proceedings
14 before the Commission. First, as an existing third party provider of electric generation service to
15 existing AG-1 Program customers pursuant to a contract complying with the AG-1 Program
16 protocols and requirements, Direct Energy will be "substantially and directly affected" by a
17 Commission decision in the Instant Proceeding as to whether or not to terminate the AG-1
18 Program, as requested by APS, or to continue the same in either its existing or some modified form
19 and content. In that regard, as one (1) of the Joint Movants in the motion requesting extension of
20 the AG-1 Program, which motion was the subject of the Commission's Decision No. 75322, Direct
21 Energy also has an interest in how the Commission addresses and resolves certain questions
22 identified in Decision No. 75322 that were deferred for a final decision by the Commission within
23 the context of the Instant Proceeding. Second, Direct Energy's intervention and participation in the
24 Instant Proceeding will not delay the same or broaden the issues to be considered therein, because
25 APS itself has included the status of the AG-1 Program and asserted alternatives thereto for
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1 serving large commercial and industrial customers as a part of its June 1, 2016 filing with the
2 Commission.

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4 **IV.**

5 **CONCLUSION**

6 WHEREFORE, Direct Energy hereby requests that the Commission enter an appropriate
7 form of order granting (i) Direct Energy's Application for Leave to Intervene in the Instant
8 Proceeding and (ii) Direct Energy all rights as a party of record therein.
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11 Dated this 28th day of September, 2016.

12 Respectfully submitted,

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14 

15 Lawrence V. Robertson, Jr.
16 Attorney for Direct Energy, Inc.

17 The original and thirteen (13) copies
18 of the foregoing will be mailed
19 this 28th day of September, 2016 with:

20 Docket Control
21 Arizona Corporation Commission
22 1200 West Washington Street
23 Phoenix, Arizona 85007

24 A copy of the same served by e-mail
25 or first class mail that same date to:

26 Arizona Corporation Commission
27 Dwight Nodes
28 1200 W. Washington
Phoenix, Arizona 85007-2927

Arizona Corporation Commission
Thomas Broderick

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12 All Other Parties of Record
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